



UNITED STATES DEPARTMENT OF EDUCATION
Student Financial Assistance

Chief Operating Officer

September 28, 2000

SUBJECT: FISCAL YEAR (FY) 1998 OFFICIAL COHORT DEFAULT RATES

Dear President:

As part of our continuing effort to utilize the advantages of electronics in the administration of the Federal student financial assistance programs, we will be publishing institutional FY 1998 official cohort default rates for the Federal Family Education Loan (FFEL) and the William D. Ford Federal Direct Loan (Direct Loan) programs on the Internet. This letter tells you where to find your rate, when and how you can obtain the data used to calculate your rate, and the implications to your school, if any, of this change in our notification method.

When and how do I obtain my default rate information from the Internet?

On Monday, October 2, 2000 at 11:00 a.m. EDT, Secretary of Education Richard Riley will hold a press conference at which time he will announce the national FY 1998 Official Cohort Default Rate. Beginning on September 30, 2000, you may preview your FY 1998 official cohort default rate on the web at <http://www.ed.gov/offices/OSFAP/defaultmanagement/cdr.html>. If you need assistance in accessing this site you may call Default Management at (202) 708-9396 or send them a message using e-mail at OSFA_IPOS_DEFAULT_MANAGEMENT_DIVISION@ed.gov.

When and how can I obtain the data used to calculate my default rate?

While we will send a paper loan record detail report to schools with default rates of 10% or greater, all schools may obtain an electronic loan record detail report at the NSLDS website at <http://www.nslsdfap.ed.gov>. A loan record detail report contains the data used to calculate a school's FY 1998 official cohort default rate. If you need assistance in accessing the NSLDS site or in downloading your electronic loan record detail report, please call NSLDS Customer Service at 1-800-999-8219.

When will I receive official notification of my FY 1998 official cohort default rate?

Your FY 1998 Official Cohort Default Rate Notification Letter, a copy of the *FY 1998 Official Cohort Default Rate Guide*, and, where appropriate, a loan record detail report will be mailed to you no later than October 13, 2000. If you have not received your FY 1998 official cohort default rate notification package by October 20, 2000, please contact Default Management at (202) 708-9396 or by e-mail at OSFA_IPOS_DEFAULT_MANAGEMENT_DIVISION@ed.gov.

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The time frames to submit cohort default rate adjustments and appeals will not begin until you receive your FY 1998 Official Cohort Default Rate Notification Letter. The *FY 1998 Official Cohort Default Rate Guide* explains the processes a school must use to submit a request for adjustment or an appeal. This change in the notification process will not result in the lengthening of any period of ineligibility imposed on any school as a result of an FY 1998 rate.

I want to thank you for your cooperation in this effort to efficiently communicate the FY 1998 official cohort default rates electronically. If you have any questions, concerns, or comments on this new process please give me a call at (202) 260-6536.

Sincerely

A handwritten signature in black ink, appearing to read "Greg Woods", with a stylized, cursive script.

Greg Woods